

QUARTERLY FINANCIAL DIGEST – APRIL TO SEPTEMBER 2012

1 Purpose

- 1.1 This report presents the Quarterly Financial Digest for the period 1 April 2012 to 31 October 2012.

2 Recommendations

Members are requested to consider the digest and its contents.
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3 Supporting information

- 3.1 This report presents the financial digest covering the period from 1 April 2012 to 31 October 2012 for members' consideration. The financial digest has been circulated separately.
- 3.2 The Digest presents the current position after the second quarter point of the year together with the latest estimate of the expected outturn.
- 3.3 Budget holders' have had to re-forecast their expected outturn position in a number of areas due to activity changes in the second quarter. The first area is within Leisure, where they are currently in the process of re-tendering the street cleansing and horticultural contracts, which has lead to increased costs in preparing and reviewing the tender documentation.

The second area is, again, within Leisure where the final costs associated with the London 2012 Olympics and Paralympics events are forecast to be £45,000 higher than expected.

Other areas that are forecasting higher areas of spend or lower income levels are within office accommodation where the business rates on the new Gateway office extension will be £41,000 are higher than budgeted, and the Revenues section where the court costs income is expected to be £60,000 lower than budgeted.

- 3.4 There are a number of smaller underspends across a range of services amounting to £92,000 along with additional income from the Theatre in the Villages scheme that have offset some of the overspends detailed above.
- 3.5 The affect is that the September Digest shows an expected year end over spend against budget of £421,000.
- 3.6 This year's budget once again includes a 2% target for salary savings, which equates to a figure of £400,000. To the end of September whilst some areas have forecast salary savings these have been eliminated by other areas forecasting increased salary costs, to the extend that an extra £20,000 will be required by the end of the year.
- 3.7 Apart from the changes detailed in 3.3 and 3.4 there were a few minor changes in other areas. These are detailed in the notes section against each portfolio within the digest.
- 3.8 Budget holders will continue to monitor closely those areas that are influenced by the wider economic picture. Development Control and Building Control are already anticipating to show shortfalls in income of around £100,000 and £65,000 respectively. Car Parking income is forecast to be an additional £45,000 lower than expected, now making the year end variance £165,000 lower than budgeted.
- 3.9 As previously reported, budget holders' are asked continually to review all of their areas and to reforecast their budgets both positively and negatively as

early as possible in the year in order to have as accurate a year end position as possible for the December Digest.

- 3.10 Historic trends tend to indicate that the outturn position improves as we progress through the year but this has always been during times of more certainty and when there was more flexibility within the budgets. Whilst, we are currently showing an over spend, every effort will be made to try and bring the position back to the budgeted position. Although, there is the potential for the over spend to increase for the reasons mentioned in 3.8, it cannot be assumed that all other services will remain on budget and so we must not get complacent and think the position will improve without active monitoring.
- 3.11 As well as the revenue budget the digest, on page 17, also reports the level of reserves and provisions and any movements that have been made during the quarter. During this quarter there have been no contributions into reserves but there have been a few withdrawals, principally from the repairs and renewals reserves. For the majority of the reserves any movement tends to be in the last quarter so the position shown in this digest is not unexpected.
- 3.12 The Capital programme continues to be focussed upon the Major Projects with work coming to an end on the Aqua Vale refurbishment, progressing well at Pembroke Road, and continuing in and around the Waterside area. During the second quarter the relocation of the Canal Society took place.
- 3.12 This Committee is requested to consider the contents of the Quarterly Financial Digest.

4 Options considered

The report deals with issues of factual reporting and so options are not appropriate.

5 Resource implications

The resource implications are as detailed within the digest. The digest represents the main forum for reporting budget performance to members.

6 Response to Key Aims and Objectives

Budget monitoring helps us to ensure resources are deployed in a way that is consistent with our key aims and outcomes.

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Background Documents

None